

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION** **RECEIVED**

SEP 14 2004

PUBLIC SERVICE  
COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC., INTER-COUNTY ENERGY )  
COOPERATIVE CORPORATION, NOLIN RURAL )  
ELECTRIC COOPERATIVE CORPORATION, AND )  
SALT RIVER ELECTRIC COOPERATIVE )  
CORPORATION, FOR AUTHORITY TO IMPLEMENT )  
A FIXED BILL PILOT PROGRAM )

Case No. 2004-00330

**REQUEST FOR INFORMATION POSED BY THE ATTORNEY GENERAL**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Request for Information to East Kentucky Power Cooperative, Inc., Inter-County Energy Cooperative Corporation, Nolin Rural Cooperative Corporation, and Salt River Electric Cooperative Corporation to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

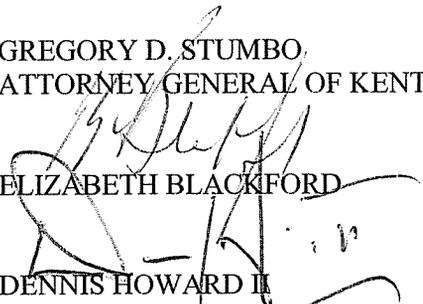
(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO  
ATTORNEY GENERAL OF KENTUCKY

  
ELIZABETH BLACKFORD

DENNIS HOWARD II  
ASSISTANT ATTORNEYS GENERAL  
FRANKFORT KY 40601-8204  
(502) 696-5453  
FAX: (502) 573-8315  
[betsy.blackford@ag.ky.gov](mailto:betsy.blackford@ag.ky.gov)  
[dennis.howard@ag.ky.gov](mailto:dennis.howard@ag.ky.gov)

CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 14th day of September, 2004, I have filed the original and ten copies of the foregoing Request for Information with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

DAVID G EAMES  
VICE PRESIDENT  
EAST KENTUCKY POWER  
COOPERATIVE  
P O BOX 707  
WINCHESTER KY 40392-0707

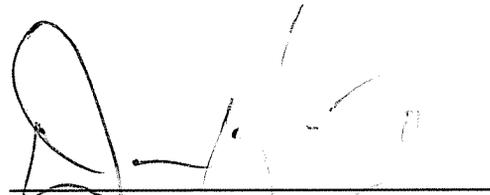
LARRY HICKS  
SALT RIVER ELECTRIC  
COOPERATIVE CORPORATION  
P O BOX 609  
BARDSTOWN KY 40004

DALE HENLEY ESQ  
EAST KENTUCKY POWER  
COOPERATIVE  
P O BOX 707  
WINCHESTER, KY 40392-0707

JAMES L. JACOBUS  
INTER COUNTY ENERGY  
COOPERATIVE CORPORATION  
P O BOX 87  
DANVILLE KY 40423 0087

CHARLES A LILE ESQ  
SENIOR CORPORATE COUNSEL  
EAST KENTUCKY POWER  
COOPERATIVE  
P O BOX 707  
WINCHESTER KY 40392-0707

MICHAEL L MILLER  
PRESIDENT AND CEO  
NOLIN RECC  
411 RING RD  
ELIZABETHTOWN KY 42701 8701



---

Assistant Attorney General

**REQUEST FOR INFORMATION**  
**Case No. 2004-00330**

(1) Please reference the Application, Exhibit 1-a, Board Resolution of East Kentucky Power Cooperative, Inc. at page 1. Provide a breakdown of the estimated costs totaling approximately \$265,000 for the pilot program.

(2) Please provide a copy of the agreement and/or contract that EKPC has with Lauritis R. Christensen Associates, Inc.

(3) Please list all states or jurisdictions where Lauritis R. Christensen Associates, Inc., whether directly or indirectly, has assisted a utility in preparing a like or similar pilot or flat bill tariff or program in this case. In that list, specify whether the pilot program, or tariff was contested and whether it ever came to fruition.

(4) Please reference the testimony of William A. Bosta at page 3, lines 5 and 6. List each factor in establishing an individual's eligibility for participating in the pilot and describe the rationale for using each factor.

(5) Please reference the testimony of William A. Bosta at page 3, lines 8 and 9. If an individual would meet the eligibility criteria yet not be selected as a potential candidate through the random sampling process, could that individual claim discrimination as to rates under KRS 278.170?

(6) Please reference the testimony of William A. Bosta at page 3, lines 9 through 14. Provide specific detail, including any actual notice, on how customers will be notified of the end of the first year's participation in the program and the right to terminate the contract.

(7) Please reference the testimony of William A. Bosta at page 5, lines 1 and 2. Provide any analyses, studies, reports, or any other supporting documentation that demonstrates that the pilot will maintain or improve load factor.

(8) Does East Kentucky Power Cooperative, Inc. expect the load to be improved through 'valley-filling' usage. What type of 'valley filling' usage may ordinarily be expected from the residential class?

(9) Does East Kentucky Power Cooperative, Inc. expect any of the added usage encouraged by this tariff to increase peak usage?

(10) Please reference the testimony of William A. Bosta at page 5, lines 7 and 8. Explain this sentence which uses the word "invite" as opposed to exhibits WAB-1, WAB-2, and WAB-3, wherein the language used is that the pilot "will automatically continue unless the Customer notifies the Company of termination."

(11) Please reference the testimony of William A. Bosta at the bottom of page 5 and continuing on to page 6 regarding the proposed reporting requirements. Would the company be willing to expand the items to:

- (a) At bullet number 5, “Number of customers leaving the program”, provide the number of customers who left involuntarily along with the reason?
- (b) To state the amount, in dollars, the companies collect in termination fees from customers who have cancelled their enrollment in the Fixed Bill Pilot program from its inception, by month.
- (c) To provide the increase or decrease in revenues to the companies?

(12) Please reference the testimony of William A. Bosta at page 7, lines 15 through 18. Provide an explanation and example(s) for “consistent” usage pattern within the previous twelve months.

(13) Please reference the testimony of William A. Bosta at page 8, line 2. Provide specific terms for the “abuse” contemplated in lieu of just some examples.

(14) In the event that a customer’s usage appears to be approaching a qualifying event for termination of participation in the pilot by the companies, will the local cooperative approach the customer and advise accordingly?

(15) Please reference the testimony of William A. Bosta at page 10, lines 14 through 17. Are you aware of how consumer advocates have responded to the fixed bill concept noted in the “number of regulatory jurisdictions” noted in the sentence?

(16) Please reference the testimony of James C. Lamb at page 4, lines 6 and 7. What is meant with the statement that “pilot customers must have at least twelve consecutive months of consistent billing history.”

(17) Please reference the testimony of James C. Lamb at page 7, lines 14 and 15.

- (a) How many meters are contemplated?
- (b) Will they be additional meters on the premises or replacement meters?
- (c) Is the cost for the meters, their placement, the reading of the meters, and the studying of the results all part of the total cost of the pilot of about \$265,000?

(18) Please reference the testimony of Michael T. O’Sheasy at page 3, lines 10 and 11. How much of an increase in consumption is anticipated from the average customer? Also, provide any analyses, studies, reports, or any other documentation which supports your conclusion.

(19) Please reference the testimony of Michael T. O'Sheasy at page 3, lines 14 and 15: How is the growth in "usage induced by FB" tracked, established or determined as a factor separate from "natural growth in usage"?

(20) Please reference the testimony of Michael T. O'Sheasy at page 3, line 18. Have customer questionnaires, focus groups or other means been utilized to attempt to discover the precise types of added usage (i.e. leave computer running rather than logging off, leave lights on, add appliances) that give rise to any FB-induced increase in usage for residential customers so as to evaluate the probability of the impact of the added usage on East Kentucky Power Cooperative, Inc.'s peak demand?

(21) Please reference the testimony of Michael T. O'Sheasy at page 3, line 20. What applicable riders are contemplated?

(22) Please reference the testimony of Michael T. O'Sheasy at page 4, lines 4 and 5. Provide any analyses, studies, reports, or any other documentation which supports the assertion that "the growth is predominantly during the shoulder and off-peak periods."

(23) Please reference the testimony of Michael T. O'Sheasy at page 7. Did Georgia Power Company increase its revenues as a result of the program? If so, please state by how much and state whether those revenues went to the shareholders or to the ratepayers? If losses were incurred, who absorbed them?

(24) Please reference the testimony of Michael T. O'Sheasy at page 8. Did Duke Power Company increase its revenues as a result of the program? If so, please state by how much and state whether those revenues went to the shareholders or to the ratepayers? If losses were incurred, who absorbed them?

(25) Please reference the testimony of Michael T. O'Sheasy at page 8. Did Progress Energy increase its revenues as a result of the program? If so, please state by how much and state whether those revenues went to the shareholders or to the ratepayers? If losses were incurred, who absorbed them?

(26) Please provide the actual number of customers from each class of customers that participated in a FB pilot and the total number of customers in that class; the percentage of customers from that class represented by the FB pilot participants; and the percentage of Kilowatt hour usage for the class represented by the FB pilot participants for each of:

- (a) Georgia Power Company
- (b) Duke Power Company
- (c) Progress Energy.

(27) For each class participating in a FB as a standard, post pilot, offering, please provide the number of customers from each class who are FB customers and the total number of

customers in that class; the percentage of customers of each class who are FB customers; and the percentage of Kilowatt hour usage for the class represented by the FB participants of each utility which has offered the FB tariff on a post-pilot basis.

(28) Please reference the testimony of Michael T. O'Sheasy at page 8, lines 19 through 21. Explain what this sentence means when it states that usage increase is "predominantly off the peak," referencing the GPC's report, when the report at MTO-4 at page 3 of 4 merely states that "this additional usage did not have a noticeable impact on peak demand."

(29) Please reference the testimony of Michael T. O'Sheasy at page 10, line 3. What is the anticipated "additional margin on an expected year basis" for this pilot?

(30) Please reference the testimony of Michael T. O'Sheasy at MTO-4, page 2 of 4. Under the category "Impact on kWh Consumption," the report notes that there was an increase in consumption yet does not quantify that amount. Was that amount quantified? If so, what is it?

(31) Provide all Documents constituting any contracts and communications between the companies and outside contractors which will be used to solicit customers for the Fixed Bill Pilot program.

(32) State and describe in detail the methods the companies will use to solicit customers for the Fixed Bill Pilot program (e.g., bill inserts, telephone calls, etc.).

(33) Provide copies of all communications, including but not limited to broadcast (television, radio), electronic (Internet, e-mail), printed or verbal (telephone), which will be made by the companies or will be made by anyone else on behalf of the companies with prospective customers of the Fixed Bill Pilot program. Include drafts of any alternative copy, design layouts, or telemarketing scripts.

(34) State the names and titles of all the companies' employees responsible for the development, implementation, and management of the Fixed Bill Pilot program.

(35) Produce all Documents constituting business rationales, business plans, budgets, correspondence (including letters and e-mails), forecasts or predictions of potential revenues, marketing and feasibility analyses or studies, performance measurement protocols, presentations to management or boards of directors, and requests for approvals from management or boards of directors relating to the development, implementation, and ongoing management of the Fixed Bill Pilot program.

(36) Is EKPC experiencing the need to increase its capacity? If so, is this pilot a prudent action in the event that it increases the company's peak demand?